

Indefensible Budget Cuts

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Hearing on the Future of National Defense and the U.S. Military Ten Years After 9/11: Perspectives from Outside Experts

Chairman McKeon, Congressman Smith, members of the Committee:

Thank you for inviting me here to talk about the future of the American armed services. That future is very much in doubt at the moment. The armed forces face the most formidable enemies they have encountered in decades. These enemies do not carry guns and they do not plant IEDs. Rather they wear green eyeshades and wield complex spreadsheets. But make no mistake: the impact of budget cuts has the potential to devastate our armed forces. It will, in fact, do more damage to their fighting capacity than the Taliban, Al Qaeda, or any other external foe could possibly inflict.

Already this year the budget has been cut by approximately \$478 billion--\$78 billion in cuts announced in January by the administration, and another \$400 billion under the Budget Control Act this summer. Now we face the prospect of sequestration this fall—which could mean another \$600 billion in cuts, or more, over the next decade. Hundreds of billions more will be lost assuming the disappearance of funding for Overseas Contingency Operations as we wind down operations in Iraq and Afghanistan. Todd Harrison of the Center for Strategic and Budgetary Assessments estimates that in all the defense budget could decline by 31 percent over the next decade. That compares with cuts of 53 percent after the Korean War, 26 percent after the Vietnam War, and 34 percent after the end of the Cold War.

Some might argue that there is nothing wrong with this—that we always downsize our military after the conclusion of hostilities. Leave aside the fact that hostilities have not yet ended—our troops are still in combat every day in Afghanistan and they still face the constant prospect of attack in Iraq. Moreover they continue to conduct military operations against Somalian pirates and Al Qaeda terrorists which put them in harm's way on a regular basis. It is beyond bizarre that we are rushing to spend the peace divided at a time when we are not actually at peace. But, again, leave that aside for a moment, and simply consider the consequences of past drawdowns (as I laid out in the Washington Post last year).

After the American Revolution, our armed forces shrank from 35,000 men in 1778 (plus tens of thousands of militiamen) to just 10,000 by 1800. The result was that we were ill-prepared to fight the Whiskey Rebellion, the quasi-war with France, the Barbary wars and the War of 1812 -- all of which might have been averted if the new republic had had an army and a navy that commanded the respect of prospective enemies, foreign and domestic.

After the Civil War, our armed forces shrank from more than a million men in 1865 to just 50,000 in 1870. This made the failure of Reconstruction inevitable -- there were simply too few federal troops left to enforce the rule of law in the South and to overcome the ruthless terrorist campaign waged by the Ku Klux Klan and other white supremacist groups. Segregation would remain a blot on U.S. history for another century.

After World War I, our armed forces shrank from 2.9 million men in 1918 to 250,000 in 1928. The result? World War II became more likely and its early battles more costly. Imagine how Hitler might have acted in 1939 had several hundred thousand American troops been stationed in France and Poland. Under such circumstances, it is doubtful he would ever have launched his blitzkrieg. Likewise, Japanese leaders might have thought twice about attacking Pearl Harbor if their homeland had been in imminent danger of being pulverized by thousands of American bombers and their fleet sunk by dozens of American aircraft carriers.

After World War II, our armed forces shrank from 12 million men in 1945 to 1.4 million in 1950. (The Army went from 8.3 million soldiers to 593,000.) The result was that ill-trained, ill-armed draftees were almost pushed off the Korean Peninsula by the North Korean invasion. The very first American ground force to encounter the invaders—Task Force Smith—was routed and decimated because it did not have enough ammunition to stop North Korean tanks. Kim Il Sung was probably emboldened to aggression in the first place by the rapid dissolution of America's wartime strength and indications from parsimonious policymakers that South Korea was outside our "defense perimeter."

After the Korean War, our armed forces as a whole underwent a smaller decline -- from 3.6 million men in 1952 to 2.5 million in 1959 -- but the Army lost almost half its active-duty strength in those years. President Dwight Eisenhower's New Look relied on relatively inexpensive nuclear weapons to deter the Soviet Union and its allies, rather than a large, costly standing army. As a result the Army that was sent to Vietnam was not prepared to fight guerrillas -- an enemy that could not be defeated with a hand-held Davy Crockett nuclear launcher.

After the Vietnam War, our armed forces shrank from 3.5 million personnel in 1969 to 2 million in 1979. This was the era of the "hollow army," notorious for its inadequate equipment, discipline, training and morale. Our enemies were emboldened to aggression, ranging from the anti-American revolutions in Nicaragua and Iran to the Soviet invasion of Afghanistan. We are still paying a heavy price for the Iranian Revolution, with Iran on the verge of going nuclear.

After the end of the Cold War and the Persian Gulf War, our armed forces shrank from 2.1 million personnel in 1989 to 1.3 million in 1999; the Army went from 769,000 soldiers to 479,000. The result: an Army desperately overstretched by its subsequent deployments. Part of the reason too few troops were sent to stabilize Iraq in 2003 was that senior officials thought there simply weren't enough to go round.

We are still suffering the consequences of the post-Cold War drawdown. The Navy, down from 546 ships in 1990 to 284 today (the lowest level since 1930), is finding it hard to fight Somali pirates, police the Persian Gulf and deter Chinese expansionism in the Western Pacific. The Army and Marine Corps are forced to maintain a punishing operational tempo that drives out too many bright young officers and NCOs. The Air

Force, which has been reduced from 82 fighter squadrons in 1990 to 39 today, has to fly decades-old aircraft until they are falling apart. The average age of our tanker aircraft is 47 years, of strategic bombers 34 years, and some older fighter aircraft are literally falling out of the sky.

The bipartisan Quadrennial Defense Review Independent Panel led by Stephen Hadley and William Perry found last year “a growing gap between our interests and our military capability to protect those interests in the face of a complex and challenging security environment.” The panel further noted:

“There is increased operational tempo for a force that is much smaller than it was during the years of the Cold War. In addition, the age of major military systems has increased within all the services, and that age has been magnified by wear and tear through intensified use.... The Department of Defense now faces the urgent need to recapitalize large parts of the force. Although this is a long-standing problem, we believe the Department needs to come to grips with this requirement. The general trend has been to replace more with fewer more-capable systems. We are concerned that, beyond a certain point, quality cannot substitute for quantity.”

The Hadley-Perry commission recommended that “as the force modernizes, we will need to replace inventory on at least a one-for-one basis, with an upward adjustment in the number of naval vessels and certain air and space assets.” It also recommended maintaining the size of our current ground forces because “the increased capability of our ground forces has not reduced the need for boots on the ground in combat zones.”

Both of those recommendations are absolutely right. And both are increasingly difficult to carry out given the magnitude of defense cuts already agreed upon. They will become an utter impossibility if sequestration occurs. You have heard the services say that they can deal with the current level of cuts but that’s only because they’re being good soldiers. In reality even the current cutbacks are already cutting into muscle; sequestration, if it were to occur, would be akin to lopping off entire limbs. In either case American power will not survive in its present form.

Those who argue in favor of cuts point out that defense spending has doubled in real terms since 9/11. That’s true but much of the spending has gone to current operations, personnel costs, ballooning health care costs, and other necessities—it has not been used to recapitalize our aging inventory of weapons systems or to substantially expand a ground force that was cut by a third since the Cold War.

Instead, even as we continue to fight in Afghanistan and Iraq, the Defense Department has been eliminating or reducing one system or another. Defense Secretary Bob Gates closed headquarters, eliminated general-officer slots, and even shut down the whole U.S. Joint Forces Command. He cancelled or capped 30 procurement programs that, if taken to completion, would have cost more than \$300 billion. The cancellations included the Army’s Future Combat System, the Marines’ Expeditionary Fighting Vehicle, the VH-71 presidential helicopter, the Navy’s CG(X) next-generation cruiser, the Air Force’s F-22 fighter and C-17 cargo plane, and the Airborne Laser. Other programs, such as the Navy’s new aircraft carrier, were delayed, while the planned buy of F-35 fighters, Littoral Combat Ships, and other systems was reduced.

And it’s not just weapons systems, we’re losing—it’s personnel. Before leaving office, Gates announced that he was whittling down Army and Marine end-strength by 47,000 personnel, reversing the increase in the size of the ground force that he had pushed through to deal with the wars in Afghanistan and Iraq. Further cuts in end-strength are undoubtedly coming as a result of greater budget cuts, thus throwing out of work—at a time of already high unemployment—tens of thousands of men and women who have signed up to serve their country.

That may make sense if you assume we will have no need of large numbers of ground combat forces in the future, but as Gates himself said earlier this year: “When it comes to predicting the nature and location of our next military engagements, since Vietnam, our record has been perfect. We have never once gotten it right, from the Mayaguez to Grenada, Panama, Somalia, the Balkans, Haiti, Kuwait, Iraq, and more – we had no idea a year before any of these missions that we would be so engaged.” That’s absolutely correct, and because the world is such an uncertain, dangerous place we need the deterrence and flexibility provided by a large ground force. But maintaining soldiers in an all-volunteer force is expensive, and you can bet that they will be sacrificed to achieve arbitrary budget targets.

This points to a larger issue: What strategy are we following here? Is there any strategy at all? None is apparent from the outside—or, from what my friends in the Pentagon tell me, from the inside either. It has been said this is a budget in search of a strategy, but we will be hard-put to achieve all, or even most, of our strategic objectives with a third-less money. The Hadley-Perry commission identified four enduring security interests for the United States: “The defense of the American homeland; assured access to the sea, air, space, and cyberspace; the preservation of a favorable balance of power across Eurasia that prevents authoritarian domination of that region; providing for the global common good through such actions as humanitarian aid, development assistance, and disaster relief.” None of those interests will change no matter what budget decisions are made in Washington; all that will change will be our ability to defend those interests.

Certainly there has not been—nor is there likely to be—a decreased demand for the armed forces. They are constantly having new missions thrown their way, from defending our nation’s computer networks to deposing a dictator in Libya and providing relief to Japanese tsunami survivors. Those who call for austerity in our defense budget do not suggest which missions, which specific operations, they will willingly forego. And when they do the suggestions are usually insufficient to achieve serious savings. For instance I have heard it suggested that we could save a lot of money by pulling our forces (currently 80,000 strong) out of Europe. But in fact, as Secretary of Defense Donald Rumsfeld discovered when he moved tens of thousands of troops home, that is simply a prescription for incurring higher short-term costs because we have to recreate in the United States the base infrastructure that already exists in Europe. Our European allies contribute to the maintenance of our troops there; for instance, according to U.S. European Command, Germany pays 66 percent of the design, procurement, and construction management costs for building U.S. military infrastructure and 25 percent of the costs of rent on privately owned land, labor, utilities, vicinity improvement, and so forth for German based-U.S. forces. Italy, for its part, provides free security to U.S. bases and a free base operations staff as well as significant investment in infrastructure worth 200 million euros around the Aviano Air Base alone. If we bring our troops home, we will have to pay 100 percent of the cost of maintenance ourselves. And of course troops based in the U.S. will be farther away from where they are likely to deploy: the Middle East, Africa, and Central Asia. By not having them forward-deployed, we will lose significant strategic flexibility, political influence, and deterrence capacity.

Don’t get me wrong. It is impossible to deny that there is waste, fraud and abuse in the defense budget. The problem is that, as you know, there is no line item for waste, fraud, and abuse, and hence no way to pare only wasteful spending. Indeed it is hard to agree about what constitutes wasteful spending since every defense program has its passionate defenders, especially here on the Hill, and it is possible to make compelling arguments in favor of them all. We all know that the procurement process is bloated, but I have never anyone suggest in a compelling or realistic way how to reform the procurement process so that we can buy substantially more with less. Indeed as we pare back our programs we increase unit costs and only heighten complaints about runaway acquisitions programs. At the end of the day, less money results in less capability.

And less capability is something we cannot afford at a time when we face so many actual or potential threats: threats from a rising China, a nuclear North Korea, an Iran on the verge of going nuclear, a Pakistan that is threatened as never before by jihadists, and by numerous terrorist groups, ranging from the Afghan and Pakistani Taliban to the Shabab in Somalia and Al Qaeda in the Arabian Peninsula, all of whom continue

to pose a significant threat despite Osama bin Laden's demise. These groups threaten not only vital U.S. interests abroad but also increasingly the American homeland itself, as seen from AQAP's attempt to mail parcel bombs to the U.S. and from the Pakistani Taliban's sponsorship of an attempt to set off a car bomb in Times Square. Both of those attempts are recent—they occurred last year. As the more recent frenzy over a possible terrorist attack on the 10th anniversary of 9/11 makes clear, such threats are not going away, despite all of the counter-terrorism success we have enjoyed.

China presents a particularly worrisome long-threat: It is in the midst of a rapid defense buildup which has allowed it to field a stealth fighter, an aircraft carrier, diesel submarines, cyberweapons, "carrier-killer" and satellite-killer ballistic missiles and numerous other missiles. Even as things stand China is increasingly able to contest the US Navy's freedom of movement in the Western Pacific. As long ago as 2008, Rand predicted that by 2020 the U.S. would not be able to defend Taiwan from a Chinese attack, and that was before the surprise unveiling of China's J-20 Stealth fighter or its new aircraft carrier; the timeline for American dominance being threatened is only accelerating. The safety of U.S. bases in Okinawa, Guam, and elsewhere in the region can no longer be assured, creating the potential for a 21st century Pearl Harbor. That trend will be exacerbated—leading to a potentially dangerous shift in the balance of power—unless we build up our shrinking fleet. But given the budget cuts being discussed here we will have trouble maintaining the current size of our fleet much less expanding it.

We have already cancelled the F-22 and cut back the procurement of the F-35. Is the F-35 to be cancelled altogether or cut back to such an extent that we will have no answer to the fifth-generation fighters emanating from Russia and China? If that were to come to pass, it would signal the death knell for American power in the Pacific. If our power wanes, our allies will have to do what they need to do to ensure their own security. It's easy to imagine, under such a scenario, states such as Japan, South Korea, and Taiwan acquiring their own nuclear weapons, thus setting off a dangerous and destabilizing nuclear arms race with China.

Even given the dire consequences, it might still make sense to cut the defense budget -- if it were bankrupting us and undermining our economic well-being which, we would all agree, is the foundation of our national security. But that's not the case. Defense spending, including supplemental appropriations, is less than 5 percent of gross domestic product and less than 20 percent of the federal budget. Both figures are much lower than the historic norm. That means our armed forces are much less costly in relative terms than they were throughout much of the 20th century. Even at roughly \$550 billion, our core defense budget is eminently affordable. It is, in fact, a bargain considering the historic consequences of letting our guard down.

The United States armed forces have been the greatest force for good the world has seen during the past century. They defeated Nazism and Japanese imperialism, deterred and defeated Communism, and stopped numerous lesser evils—from Slobodan Milosevic's ethnic cleansing to the oppression perpetrated by Saddam Hussein in Iraq and the Taliban in Afghanistan. I cannot imagine a world in which America is not the leading military power. It would be a brutal, Hobbesian place in which aggressors rule and the rule of law is trampled on. And yet Congress will be helping to usher in such a New World Disorder if it continues to slash defense spending at the currently contemplated rate.